

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **M&I Bank Northeast, Green Bay, Wisconsin**, prepared by the **Federal Reserve Bank of Chicago**, the institution's supervisory agency, as of **December 30, 1997**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION-S RATING: This institution is rated **Satisfactory**.

M&I Bank Northeast's overall performance is satisfactory based upon the level of lending within its assessment area, its lending to borrowers of different income levels and its strong level of lending to businesses of different revenue sizes. The bank's lending in low- and moderate-income geographies within its assessment areas is considered reasonable. The bank has a generally strong level of qualified community development loans and investments; these levels are consistent with a review of the local economic conditions and interviews with community representatives. The bank provides a high level of retail and community development services that are available to all segments of the community.

The following table indicates the performance level of **M&I Bank Northeast, Green Bay, Wisconsin**, with respect to the lending, investment and service tests. Based on the component test ratings for large banks, the assigned composite rating is Satisfactory.

PERFORMANCE LEVELS	M&I BANK NORTHEAST		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance Noncompliance			

*Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

DESCRIPTION OF M&I BANK NORTHEAST'S ASSESSMENT AREAS

Green Bay, Wisconsin, is located in northeastern Wisconsin, approximately 125 miles north of Milwaukee. The bank's main office is in downtown Green Bay; the bank has branches located in Brown, Outagamie, Kewaunee and Marinette Counties. There is also one loan production office located in Sturgeon Bay, Wisconsin, which is outside of the bank's assessment area.

The bank's assessment area actually consists of three contiguous assessment areas; the entire Green Bay Metropolitan Statistical Area (MSA 3080), a portion of the Appleton-Oshkosh-Neenah MSA 0460 and a non-metropolitan assessment area consisting of portions of Manitowoc, Marinette, and Oconto Counties and all of Kewaunee County. The largest communities within the combined assessment area are Green Bay, De Pere, Ashwaubenon, Two Rivers, Marinette, Peshtigo, Oconto Falls and Kewaunee.

There are a total of 76 census tracts and block numbering areas (BNAs) within the bank's three assessment areas, of which 4 are low-, 12 are moderate-, 51 are middle- and 9 are low-income census tracts or BNAs. The following chart depicts population and income information for the three assessment areas, as compared to State of Wisconsin levels:

ASSESSMENT AREA POPULATION LEVELS BY INCOME, BASED UPON 1990 CENSUS DATA								
AREA / Population	Low-Income Families		Moderate-Income Families		Middle-Income Families		Upper-Income Families	
	#	%	#	%	#	%	#	%
Overall Assessment Area 289,413	13,188	17.3	13,588	17.8	21,207	27.8	28,387	37.2
MSA-3080 194,594	8,670	17.1	9,071	17.9	14,528	28.6	18,463	36.4
MSA-0460 8,641	458	21.0	432	19.8	572	26.3	716	32.9
Non-metropolitan Area 86,178	4,060	17.3	4,085	17.4	6,107	26.0	9,208	39.2
State of Wisconsin 4,891,769	230,129	17.9	240,790	18.7	339,926	26.5	473,452	36.9

The percentage levels of families of different income levels within the bank's overall assessment area are generally consistent with State of Wisconsin levels.

Housing in the assessment areas consists primarily of owner-occupied, single-family units. The following chart depicts assessment area housing information:

ASSESSMENT AREA HOUSING DATA BASED UPON 1990 CENSUS DATA										
HOUSING UNITS	OVERALL ASSESSMENT AREA		MSA- 3080		MSA- 0460		NON-MSA		STATE OF WISCONSIN	
	#	%	#	%	#	%	#	%	#	%
Owner-Occupied Units	74,404	65.4	47,423	63.5	2,171	77.0	24,910	68.6	1,215,324	59.1
Total Rental Units	31,525	27.7	24,857	33.3	553	19.6	6,115	16.9	606,794	29.5
Vacant Units	7,817	6.9	2,460	3.3	95	3.4	5,262	14.5	233,656	11.4
Total Housing Units	113,846		74,740		2,819		36,287		2,055,774	

The overall assessment area's owner-occupancy rate (65.4%) exceeds that of the State of Wisconsin's rate (59.1%) in comparison; the remaining rates noted, range from a high of 77.0% in MSA 0460 to a low of 63.5% in the Green Bay MSA. In addition, the assessment area's overall percentage of single-family housing of 70.5% exceeds that of MSA 3080 and the State of Wisconsin percentages which are both 67.7%. The percentage of single-family housing within the overall assessment area is below that of the MSA 0460 (79.4%) and the non-metropolitan assessment area (75.8%).

The following chart details median housing values, in comparison to median family incomes and gross monthly rents. A housing affordability index compares the median housing value to the median family income, which measures the affordability of housing; higher ratios indicate decreased affordability. The housing affordability indices range from 1.51 in the non-MSA assessment area to an overall State of Wisconsin index of 1.77.

ASSESSMENT AREA HOUSING DATA BASED UPON 1990 CENSUS DATA					
	OVERALL ASSESSMENT AREA	MSA- 3080	MSA- 0460	NON-MSA	STATE OF WISCONSIN
Median Housing Value	\$58,494	\$62,219	\$59,087	\$47,684	\$62,141
Median Family Income	35,512	37,121	34,342	31,531	35,082

ASSESSMENT AREA HOUSING DATA BASED UPON 1990 CENSUS DATA					
	OVERALL ASSESSMENT AREA	MSA- 3080	MSA- 0460	NON-MSA	STATE OF WISCONSIN
Housing Affordability Ratio	1.65	1.68	1.72	1.51	1.77
Median Gross Monthly Rent	\$359	\$373	\$332	\$293	\$399
Age - % Built Pre- 1950	30.9%	34.3%	36.7%	41.6%	36.8%

A comparison of the median housing value of the overall assessment area of \$58,494 and the median monthly rent payment of \$359 indicates that it is generally more affordable for low- and moderate-income individuals to rent, rather than purchase a home. The mortgage payment (including principal and interest alone) required for a loan in an amount equal to the overall assessment median housing value, exceeds the median monthly rent payment of \$359; this limits the opportunities available for a low- or moderate-income individual to purchase a home. Nevertheless, housing is generally more affordable in the non-MSA assessment area, in comparison to state levels.

The following chart details the overall assessment area's major employers:

MAJOR EMPLOYERS IN ASSESSMENT AREA		
Name	Product/Service	# Of Employees
Fisher Hamilton Scientific, Inc.	Fume hoods and laboratory equipment	980
Paragon Electric Co., Inc.	Timing services	500
Paper Converting Machine Co.	Printing, foil, film and paper converting equipment	900
Fort Howard Corporation	Bathroom tissue, roll towels and napkins	3,000
Carver Boat Corporation	Boat building and repair	925
Green Bay Dressed Beef Inc.	Beef and by-products processing	900
James River Corporation	Paper Products	1,000
Proctor & Gamble Paper Products	Toilet and facial tissues, paper towels	1,700

MAJOR EMPLOYERS IN ASSESSMENT AREA		
Name	Product/Service	# Of Employees
Co.		
Kimberly-Clark Corporation	Paper products; napkins, towels, and tissues	600
Ansul Inc.	Fire extinguishers and suppression products	650

The unemployment rates for all counties or MSAs represented in each assessment area in comparison to the State of Wisconsin levels are displayed in the following chart, according to Wisconsin Labor Market information:

UNEMPLOYMENT RATES FOR FEBRUARY OF 1998 AND 1997		
Counties (MSA) / Year	1998	1997
Brown (MSA-3080)	3.3	3.7
Outagamie (portion of MSA-0460)	3.7	4.0
Kewaunee	4.9	5.3
Manitowoc	4.4	5.7
Marinette	7.1	7.3
Oconto	7.4	8.3
State of Wisconsin	4.0	4.6

The local economy has had steady economic growth; the paper industry and tourism play a major role in the local economy, according to community representatives.

DESCRIPTION OF INSTITUTION

M&I Bank Northeast, Green Bay, with total assets of approximately \$966.5 million as of December 31, 1997, is a subsidiary of Marshall & Ilsley Corporation, a multi-bank holding company. The bank's main office is located in Green Bay, Wisconsin. The bank operates 18 offices including one loan production office located in Sturgeon Bay, which is outside the bank's assessment area. The bank operates 13 proprietary automated teller machines (ATMs).

Local bank competitors include Bank One, Wisconsin; Firststar Bank, Wisconsin; Associated Bank Green Bay, National Association; Norwest Bank Wisconsin, N.A.; and North Shore Bank, FSB of Brookfield, Wisconsin. The bank also competes with a significant number of

other banks and credit unions within each assessment area.

Consumer loan products offered by the bank include installment, single payment and student loans, as well as home equity and personal lines of credit. Consumer real estate loans include fixed-rate mortgages, adjustable rate mortgages (ARMs) and variable-rate construction loans. Non-consumer agricultural, commercial and industrial closed-end and lines of credit are available, including agricultural and commercial real estate loans. The bank also offers government assisted loans, including those offered through the Veterans Administration (VA), Small Business Administration (SBA) and Wisconsin Housing and Economic Development Authority (WHEDA).

There are no factors relative to the bank's financial condition, size, or local economic conditions, which would prevent the bank from meeting the credit needs within its assessment areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Lending Volume

The bank's analysis of 1996 and year-to-date 1997, small business, small farm and mortgage lending was reviewed to evaluate the bank's overall lending volume, geographic distribution of loans, distribution of lending by borrower income levels, community development lending and the use of innovative and flexible lending practices. M&I Mortgage Corp. (M&IMC) lending activity is included in the evaluation of the bank's performance, as bank employees act as agents for this affiliate.

A review of the bank's December 31, 1997, Consolidated Report of Condition revealed a loan-to-deposit ratio of 66.3%. The distribution, by loan type, is as follows:

LOAN TYPE	DOLLAR AMOUNT OUTSTANDING (000's)	PERCENT OF TOTAL LOANS
REAL ESTATE		
Construction	15,971	3.3
Residential (1-4)	155,306	32.3
Commercial	114,122	23.8
Multi-family	31,429	6.5
Farmland	18,808	3.9
CONSUMER		
Open-end Credit	7,576	1.6

All Other	27,250	5.7
COMMERCIAL AND INDUSTRIAL	85,417	17.8
AGRICULTURAL	19,834	4.1
STATE AND POLITICAL	4,267	0.9
OBLIGATIONS	116	0.02
LEASES	501	0.08
OTHER		

A review of the bank's loan portfolio indicates that the bank is primarily a commercial and industrial lender; these loans comprise 41.5% of the portfolio, followed by 1-4 family residential real estate and agricultural lending which comprise 32.3% and 8.0%, respectively of the bank's loan portfolio.

According to the December 31, 1997 Uniform Bank Performance Report (UBPR), the bank's performance as compared to peer is illustrated in the following chart:

LOAN TYPE	BANK AVERAGE LOAN MIX (%)	PEER AVERAGE LOAN MIX (%)
REAL ESTATE LOANS		
Construction/Development	3.52	3.73
1 - 4 Family Residential	27.94	29.38
Home Equity	2.72	2.77
Other Real Estate	37.71	23.53
Farmland	4.00	0.46
Multi-family	7.64	1.44
Commercial	26.06	19.79
TOTAL REAL ESTATE LOANS	69.16	61.15
LOANS TO INDIVIDUALS	7.52	13.39
CREDIT CARD LOANS	1.58	0.73
COMMERCIAL & INDUSTRIAL LOANS	18.26	16.14
AGRICULTURAL LOANS	4.00	0.38
MUNICIPAL LOANS	0.98	0.43
OTHER LOANS*	0.06	0.39
*Excludes Financial Institution Loans, Acceptances of Other Banks, Foreign Office Loans and Leases, and Lease Financing Receivables		

The composition of the bank's loan portfolio is generally consistent with peer levels; comments from bank management and community representatives indicate that bank lending is consistent with the credit needs of all three assessment areas.

The bank's eight quarter loan to deposit ratio, for the period from March 30, 1996 to December 31, 1997, is 79.2%. One of the factors impacting the bank's loan-to-deposit ratio during this time period is the merger with Security Bank, S.S.B. On October 1, 1997, the merger with Security Bank added nearly \$206 million in deposits and \$39 million in loans; the bank's lower loan-to-deposit ratio on December 31, 1997 is consistent with this transaction. This influx of deposits is also reflected in the peer loan-to-deposit ratio on the same date:

BANK NET LOAN/LEASE TO DEPOSIT RATIO	PEER NET LOAN/LEASE TO DEPOSIT RATIO
65.27	76.89

Eight quarter loan to deposit ratios for the bank and a sample of its local competitors are illustrated in the following chart:

INSTITUTION	ASSET SIZE (000)	LOAN-TO-DEPOSIT RATIO(%)
M&I Bank Northeast, Green Bay	966,743	79.6
Bank One, Wisconsin	9,080,380	119.3
Firststar Bank Wisconsin	4,037,826	86.5
Associated Bank Green Bay, National Association	1,288,711	99.5
Norwest Bank Wisconsin, N.A.	1,785,252	52.9

The above chart indicates that the bank's loan-to-deposit ratio is lower than all local competitors with the exception of one. Nevertheless, a significant number of the bank's mortgage loans are sold in the secondary market and are not reflected in the bank's loan-to-deposit ratio, and the bank had a significant influx of deposits during the time period under review.

Lending in Assessment Area

The bank's analysis of 1996 and year-to-date 1997, small business, small farm and mortgage lending was also reviewed to evaluate the bank's lending within its assessment areas. There were 1,949 and 1,518 small business and small farm loan originations in 1996 and 1997, respectively; the bank's mortgage originations totaled 941 and 790 in 1996 and 1997, respectively. The following chart illustrates the bank's small business, small farm and mortgage lending within the combined assessment area:

1996 and YEAR-TO-DATE, 1997, COMBINED SMALL BUSINESS, SMALL FARM AND MORTGAGE ORIGINATIONS (# and %)				
Loan Type	1996		Year-to-date 1997	
	#	%	#	%
Small Business/Small Farm	1,761	90.4	1,378	90.8
Mortgages	858	91.2	724	91.7
Total	2,619	90.6	2,102	91.1

As the data illustrates, the bank extends a substantial majority of real estate mortgage, small business and small farm loans in the combined assessment area.

Geographic Distribution

The bank's analysis of 1996 and year-to-date 1997 mortgage, small business and small farm loan originations was also reviewed to determine the bank's geographic distribution of lending in all assessment areas. The bank has 76 census tracts within all assessment areas, of which 4 are low-, 12 are moderate-, 51 are middle- and 9 are upper-income tracts; two of the low-income tracts have no population.

Small Business/Small Farm Lending

A review of 1996 and year-to-date 1997 lending activity indicates that the bank has small business or small farm originations in all 74 census tracts. The following chart illustrates the bank's small business and small farm lending, within the three assessment areas by the income level of census tracts/BNAs:

SMALL BUSINESS AND SMALL FARM ORIGINATIONS BY GEOGRAPHIC CLASSIFICATIONS

Census Tract Income Level		Low-		Moderate-		Middle-		Upper-		Total in Geography
Year	MSA	#	%	#	%	#	%	#	%	
1996	3080	45	4.1	149	13.6	723	65.7	183	16.6	1,100
	0460	0	0	0	0	117	100.0	0	0	117
	Non-MSA	0	0	13	2.4	530	97.4	1	0.2	544
YEAR-TO-DATE, 1997	3080	18	2.2	99	12.4	559	69.9	124	15.5	800
	0460	0	0	0	0	95	100.0	0	0	95
	Non-MSA	0	0	13	2.7	467	96.7	3	0.6	483

*Percent of the total number of originations in each assessment area

Mortgage Lending

The bank's 1996 and year-to-date 1997 mortgage lending including home purchase, refinancings and home improvement loans, revealed lending activity in 67 (90.5%) and 66 (89.2%) of 74 census tracts, respectively. The following chart and narrative illustrate the bank's 1996 and year-to-date 1997 mortgage lending in the three assessment areas by the income level of census tract/BNA:

Originations in Green Bay MSA (3080) by Census Tract Income Level				
Census Tract Income Level	1996		Year-to-date 1997	
	# of Originations	% of total	# of Originations	% of total
Low-	5	0.8	6	1.1
Moderate-	96	14.5	84	15.0
Middle-	423	64.0	347	61.8

Upper-	137	20.7	124	22.1
Total	661	100.0	561	100.0

The bank's lending within low- and moderate-income tracts is generally consistent with the percentage of 1996 aggregate mortgage lending within the MSA; 0.68% and 17.46% of the aggregate MSA lending is within low- and moderate-income tracts, respectively.

A review of the bank's 1996 and year-to-date, 1997 mortgage lending within the Appleton-Oshkosh-Neenah MSA indicates that a total of 26 and 22 loans, respectively, were made in the MSA. All of the bank's lending was in middle-income tracts; the bank's assessment area within this MSA contains no low- or moderate-income geographies.

The bank's non-MSA assessment area includes no low-income geographies and two moderate-income geographies, both in Marinette County. A review of the bank's 1996 and year-to-date, 1997 mortgage lending within Marinette County indicates that a total of 52 and 46 loans, respectively, were made in the county. Of these loans, 25.00% and 19.56%, respectively were made in moderate-income geographies.

Borrower Characteristics

Lending to Small Business and Small Farms of Different Revenue Sizes

The bank's analysis of 1996 year-to-date, 1997 small business and small farm originations was also reviewed to determine the bank's efforts in lending to businesses of different revenue sizes. The following chart illustrates the bank's lending efforts to small businesses and small farms within the combined assessment area:

Small Business and Small Farm Lending within the Combined Assessment Area Based upon the Borrower Revenue Size				
Year	Total Originations	# Originations to Small Businesses and Farms with Revenues less than \$1 million	% of Originations	Total Amount of Originations to Businesses and Farms with Revenues less than

				\$
1996				
Small Business	1,087	856	78.75	62,903,000
Small Farm	674	663	98.37	31,097,000
Year-to-date, 1997				
Small Business	766	644	84.07	49,192,000
Small Farm	612	601	98.20	28,282,000

The bank's analysis of 1996 small business originations further indicates that the majority of the bank's small business lending, 890 of the 1,087 or 81.88% of total originations were from within the Green Bay MSA. The bank's analysis of 1996 small farm originations indicates that 210 or 31.16% and 230 or 34.12% of the bank's originations were from within the Green Bay MSA and Kewaunee County (within the non-MSA assessment area), respectively. No significant differences within the bank's level of lending to businesses and farms based upon revenue size or loan size (as described below) were noted within any of the three assessment areas.

The bank's small business and small farm lending is generally consistent with the 1996 Green Bay MSA aggregate small business/small farm lending data; this data indicates 64.30% and 94.44%, respectively, of the total number of small business and small farm loans were made to firms with revenues of less than \$1 million. The bank's lending is also generally consistent with the 1996 Kewaunee County aggregate small business/small farm lending data; this data indicates 68.99% and 97.91%, respectively, of the total number of small business and small farm loans were made to firms with revenues of less than \$1 million.

The bank's analysis of 1996 year-to-date, 1997 small business and small farm originations was also reviewed to determine the bank's lending in amounts of \$100,000 or less. The following chart illustrates the bank's lending efforts to small businesses and small farms in amounts of \$100,000 or less:

Small Business and Small Farm Lending within the Combined Assessment Area				
Year	Total Originations	# of originations of \$100,000 or less	% of Originations	Total Amount of Originations of

				\$100,000 or less
1996				
Small Business	1,087	838	77.09	28,568,000
Small Farm	674	591	87.68	18,123,000
Year-to-date, 1997				
Small Business	766	578	75.46	21,868,000
Small Farm	612	538	87.91	15,979,000

The bank's lending is generally consistent with the 1996 overall Green Bay MSA aggregate small business and small farm lending levels; this data indicates that 76.00% and 84.82% of the numbers of all small business and small farm loan originations, respectively, were for amounts less than \$100,000. The bank's lending is generally consistent with the 1996 Kewaunee County aggregate small business and small farm lending levels; this data indicates that 75.97% and 88.70% of the numbers of all small business and small farm loan originations, respectively, were for amounts less than \$100,000.

The bank's mortgage, small business and small farm lending penetration among borrowers of different income levels and businesses and farms of different revenue sizes is reasonable based upon the demographic characteristics of each assessment area, general consistency with MSA and non-MSA assessment area aggregate lending levels and consistency with information provided by community representatives.

Lending to Borrowers of Different Incomes

The bank's 1996 and year-to-date, 1997 mortgage originations were reviewed to determine the bank's level of lending to borrowers of different income levels. The following charts demonstrates the bank's originations to low-, moderate-, middle- and upper-income borrowers within the Green Bay MSA 3080, Appleton-Oshkosh-Neenah MSA 0460 and the non-MSA assessment area:

Originations in Green Bay MSA 3080 by Borrower Income Level

Income Level of Applicant	1996		Year-to-date, 1997	
	# of Originations	% of total	# of Originations	% of total
Low-	29	4.4	26	4.7
Moderate-	94	14.2	102	18.5
Middle-	256	38.7	195	35.3
Upper-	282	42.7	229	41.5
Total	661	100.0	552	100.0

The bank's analysis of real estate lending indicates that 23.20% of lending is to low- and moderate-income individuals; the bank's lending is considered adequate, based on the demographic make-up of the MSA assessment area. The bank's lending is consistent with 1996 Green Bay MSA aggregate mortgage lending levels; 5.08% and 18.36%, respectively, of aggregate lending is to low- and moderate-income individuals.

Originations in Appleton-Oshkosh-Neenah MSA 0460 by Borrower Income Level				
Income Level of Applicant	1996		Year-to-date, 1997	
	# of Originations	% of total	# of Originations	% of total
Low-	0	0.0	2	9.1
Moderate-	3	11.5	3	13.6
Middle-	10	38.5	6	27.3
Upper-	13	50.0	11	50.0
Total	26	100.0	22	100.0

The bank's analysis of mortgage lending indicates that 22.70% of lending is to low- and moderate-income individuals; this is considered adequate penetration, based upon the demographic characteristics of the Appleton-Oshkosh-Neenah MSA assessment area. The bank's lending is consistent with 1996 aggregate mortgage lending levels; 5.49% and 20.05%, respectively, of aggregate lending is to low- and moderate-income individuals, and based upon the low number of loans made in the MSA, overall.

Originations in non-MSA Assessment Area by Borrower Income Level				
Income Level of Applicant	1996		Year-to-date, 1997	
	# of Originations	% of Total	# of Originations	% of Total
Low-	5	3.0	7	5.0
Moderate-	25	14.6	16	11.4
Middle-	51	29.8	43	30.7
Upper-	90	52.6	74	52.9
Total	171	100.0	140	100.0

Total Mortgage Originations by Borrower Income Level				
Income Level of Applicant	1996		Year-to-date, 1997	
	# of Originations	% of Total	# of Originations	% of Total
Low-	34	4.0	35	4.9
Moderate-	122	14.2	121	16.9
Middle-	317	36.9	244	34.2
Upper-	385	44.9	314	44.0
Total	858	100.0	714	100.0

Low- and moderate income families comprise, approximately 35.0%, 40.8%, and 34.7%, respectively, of MSA 3080, MSA 0460 and the non-MSA assessment area. Families with incomes below the poverty level represent 6.7%, 9.0% and 7.5%, respectively, of the total population of each assessment area. The bank's lending to low- and moderate-income individuals is not at a level, equal to that of the demographic composition of each assessment area or of the overall assessment area. Nevertheless, the bank's mortgage, small farming and small business loan penetration among borrowers of different income levels and businesses and farms of different revenue sizes is reasonable based upon the demographic characteristics of each assessment area, general consistency with MSA and non-MSA aggregate lending levels and consistency with information provided by community representatives.

The bank also offers innovative products and has flexible lending standards designed to enhance the ability of low- and moderate-income individuals to receive credit. The M&I Neighborhood Home Loan Program (NHLP) is an example of a flexible loan program. The

M&I NHLP loan program is an example of an flexible loan program; it is designed to help low-income individuals purchase homes. The program allows a borrower to obtain a number of different types of loans such as an ARM or 5-year balloon loan with either a 3% or 5% down payment. Unlike conventional real estate loans, the bank does not require PMI on these loans. In addition, timely rent, utility and other monthly payments will be considered when reviewing a borrower's qualifications. Eligible borrowers must have incomes not exceeding 100% of HUD median county income.

The bank also participates in a program sponsored by the Wisconsin Housing and Economic Development Authority (WHEDA). Its HOME program provides mortgages for low- and moderate-income individuals. In 1996, there were no NHLP originations; there were seven WHEDA originations totaling \$335,000. In 1997, four NHLP and 17 WHEDA loans were originated for a total of \$352,000 and \$997,000, respectively. The bank also participates in the WHEDA CROP loan program that is designed to help small farm owners; 18 loans for a total of \$269,802 were originated in 1997.

The bank also has two home equity lines of credit (HELC) products targeted to low- and moderate-income individuals. The first product is a 100% loan-to-value HELC. This program allows the borrower to access this line at the time of closing to pay closing costs, to increase the down payment or to make minor repairs to the property. The second product is similar to a conventional HELC. A feature has been added that allows a consumer to convert all or a portion of the line to a fixed rate installment loan for up to a term of five years. This option can be exercised multiple times on a single line of credit.

Community Development Lending

The bank regularly engages in community development lending. Discussions with bank management and interviews conducted with community representatives, along with a review of the demographic data of the assessment area, determined that there are a relatively small number of opportunities for the bank to participate in qualified community development lending.

The bank has originated three qualified community development loans since its previous examination. The first was a loan to Neighborhood Housing Services of Green Bay (NHS) for \$32,482, to rehabilitate single-family residences in a low-income area of Green Bay's near west side. The second was a loan for \$750,000 to the Housing Allowance Office of Brown County, Inc.(HAO), to remodel a building housing their operations. HAO is a non-profit corporation whose purpose is to administer various housing assistance and social service programs, which primarily target low- and moderate-income individuals and families in

Brown County. The third loan is to Earth Heart Foundation for \$3,000, for the rehabilitation of a property; the bank considers the property to be in a moderate-income area.

Interviews with community representatives revealed that there is tremendous competition for community development opportunities within the assessment area, which limits the number of community development loans one institution can originate.

CONCLUSION

The bank's overall lending performance is considered generally strong based upon the level of lending within its assessment area, its lending to borrowers of different income levels and its strong level of lending to businesses of different revenue sizes. The bank's lending in low- and moderate-income geographies within its assessment areas is considered reasonable. The bank has a generally adequate level of qualified community development loans; the level is consistent with a review of the local economic conditions and interviews with community representatives. Finally, the bank does offer loan programs with flexible lending standards.

INVESTMENT TEST

The bank's investment portfolio, donations, and programs that contribute to community development were reviewed. Investments were also reviewed for innovation and responsiveness to the community development needs of the bank's combined assessment area; the degree to which investments are not provided by private investors was also reviewed. Interviews with bank management and community representatives revealed that there are very limited opportunities for the bank to participate in qualified investments within its combined assessment area.

Degree to Which Investments are not Provided by Private Investors

A review of the bank's internal files revealed a number of grants to various non-profit organizations and schools in the assessment areas, primarily to fund operating expenses. The organizations include economic development and general human services organizations, such as chambers of commerce, churches, Neighborhood Housing Services, United Way and Boys and Girls Clubs. Schools also benefit as the bank provides various grants for educational and scholarship programs including direct participation in many other programs; which address the academic needs of the students. Grants to United Way represent indirect funding of certain organizations with community development as their primary purpose; however, the exact level of funding to these organizations was not able to be determined. One example of

a qualified investment is a grant for \$3,000 to Neighborhood Housing Services to provide closing cost and down payment assistance for low- and moderate-income individuals when purchasing homes.

The bank has made an investment in a Green Bay housing project [Brown County Affordable Housing LLC] that involves a scattered site rehabilitation of 21 rental units in 12 separate residential properties in partnership with Neighborhood Housing Services, Green Bay city government and other financial institutions. The project utilizes federal tax credits and below market-rate financing. Tenants must have incomes less than 60 percent of the county median family income to qualify. The bank's commitment to invest \$208,760 represents 24.56% of the project's total equity investment; \$78,065 has been capitalized thus far.

Responsiveness to Available Opportunities

The current level of qualified investments including grants reflects the limited available opportunities for the bank. The bank's grant to Neighborhood Housing Services and its investment in the Brown County Affordable Housing LLC indicate the bank's responsiveness to the community development needs of its assessment areas.

CONCLUSION

The bank's performance under the investment test is considered strong based upon its long-term investment in the affordable housing initiative, its support of Neighborhood Housing Services and in consideration of the available opportunities in the assessment areas.

Discussions with bank management and community representatives revealed that there are few opportunities in which financial institutions can invest. Grants to United Way represent indirect funding of certain organizations having community development as their primary purpose; however, the exact level of funding to these organizations was not able to be determined. Discussions with bank management and community representatives, and a review of the bank's overall lending and investment performance, suggest that the bank is responsive to the community development needs of its assessment areas.

SERVICE TEST

The bank's system for delivering retail banking and community development services was reviewed for range and accessibility, innovativeness and responsiveness, including alternative systems used for delivering those services. In addition, the distribution of the bank's branches, record of opening and closing branch offices and community development services

activity were reviewed.

Retail Banking Services

M&I Bank Northeast is a full-service bank with 17 branches, one loan processing office, and 13 proprietary ATMs located within its combined assessment area. The bank provides retail and lending services to consumers, organizations, businesses, and government entities in accordance with uniform nondiscriminatory standards.

Distribution of Branches Among Geographies

The following chart illustrates the bank's branch and drive-up facility locations, the income levels of communities in which they are located, as well as the days and hours of service:

BRANCH LOCATION	COUNTY/ CENSUS TRACT	INCOME LEVEL	HOURS OF OPERATION		
Casco 123 Main Street Casco, WI 54205	Kewaunee/96 04.00	Middle	Lobby:	8:30am - 4:30pm 8:30am - 7:00pm 8:00am - 5:30pm 8:00am - 7:00pm	Monday - Thursday Friday Monday - Thursday Friday
De Pere 802 George Street De Pere, WI 54115	Brown/ 103.0	Middle	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 8:30am - 5:30pm 8:30am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday
Denmark 100 Wisconsin Avenue Denmark, WI 54208	Brown/ 206.00	Middle	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 7:00pm 8:00am - 5:00pm 8:00am - 7:00pm 9:00am - 12:00pm	Monday - Thursday Friday Monday - Thursday Friday Saturday
Green Bay Port 945 Cardinal Lane Green Bay, WI 54313	Brown/ 205.01	Middle	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 7:30am - 5:30pm 7:30am - 6:00pm 8:30am - 12:00pm	Monday/Wednesday/Fr iday Thursday Monday/Wednesday/Fr iday Thursday Saturday
Green Bay Ashwaubenon 2700 Oneida Street Green Bay, WI 54304	Brown/ 213.03	Middle	Lobby: Drive- Up:	9:00am - 5:00pm 9:00am - 6:00pm 8:30am - 12:00pm 7:00am - 5:30pm	Monday - Thursday Friday Saturday Monday - Thursday

BRANCH LOCATION	COUNTY/ CENSUS TRACT	INCOME LEVEL	HOURS OF OPERATION		
				7:00am - 6:00pm 8:30am - 12:00pm	Friday Saturday
Green Bay Central 310 West Walnut Street Green Bay WI, 54303	Brown/ 8.00	Low	Lobby:	9:00am - 5:00pm	Monday - Friday
Green Bay Copps East, SMB 1819 East Main Street Green Bay, WI 54302	Brown/ 20.01	Upper	Lobby:	9:00am - 7:00pm 9:00am - 4:00pm	Monday - Friday Saturday
Green Bay Copps West 1291 Lombardi Access Road Green Bay, WI 54304	Brown/ 213.01	Middle	Lobby:	9:00am - 7:00pm 9:00am - 4:00pm	Monday - Friday Saturday
Green Bay East 2223 East Main Street Green Bay, WI 54302	Brown/ 20.02	Middle	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 7:30am - 5:30pm 7:30am - 6:00pm 8:30am - 12:00pm	Thursday Friday Saturday Monday - Thursday Friday Saturday
Green Bay Military 201 South Military Avenue Green Bay, WI 54303	Brown/ 4.01	Middle	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 8:30am - 5:30pm 8:30am - 6:00pm 8:30am - 12:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday
Green Bay Packerland 2614 West Mason Street Green Bay, WI 54303	Brown/ 3.01	Middle	Lobby: Drive-Up:	8:30am - 5:00pm 8:30am - 6:00pm 8:30am - 12:00pm 7:00am - 5:30pm 7:00am - 7:00pm 8:30am - 12:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday
Green Bay South Auto Bank 412 Howard Street Green Bay, WI 54303	Brown/ 8.00	Low	Drive-Up:	8:30am - 5:00pm 8:30am - 12:00pm	Monday - Friday Saturday
Kewaunee 1334 Ellis Street Kewaunee, WI 54216	Kewaunee/ 9605.00	Middle	Lobby: Drive-Up:	8:30am - 4:00pm 8:30am - 6:00pm 9:00am - 12:00pm 8:30am - 4:00pm 8:30am - 5:00pm 8:30am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Wednesday Thursday Friday Saturday
Marinette	Marinette/		Lobby:	9:00am - 12:00pm	Monday - Wednesday

BRANCH LOCATION	COUNTY/ CENSUS TRACT	INCOME LEVEL	HOURS OF OPERATION		
2506 Roosevelt Road Marinette, WI 54143	9612.00	Upper		9:00am - 6:00pm 9:00am - 12:30pm	and Friday Thursday Saturday
Peshtigo 120 North Emery Avenue Peshtigo, WI 54157	Marinette/ 9611.00	Middle	Lobby: Drive-Up:	8:00am - 5:00pm 8:00am - 5:00pm 8:00am - 6:00pm 8:30am - 11:30am	Monday - Friday Monday - Wednesday and Friday Thursday Saturday
Seymour 205 South Main Street Seymour, WI 54165	Outagamie/ 131.00	Middle	Lobby: Drive-Up:	8:30am - 4:30pm 8:30am - 6:00pm 8:30am - 5:00pm 8:00am - 5:00pm 8:00am - 6:00pm 8:30am - 11:30am	Monday - Wednesday Thursday Friday Monday - Wednesday and Friday Thursday Saturday
Sturgeon Bay Loan Production Office 529 Michigan Street Sturgeon Bay, WI	N/A	N/A	Lobby:	8:30am - 5:00pm	Monday - Friday
Wrightstown 101 High Street Wrightstown, WI 54180	Brown/ 214.00	Middle	Lobby: Drive-Up:	8:30am - 5:00pm 8:30am - 6:00pm 8:00am - 5:00pm 8:00am - 6:00pm	Monday - Thursday Friday Monday - Thursday Friday

Record of Opening and Closing Offices

The bank has closed one branch office location since the previous examination; the branch was not located in a low- or moderate-income geography. The branch was located at 419 Tower Avenue, Kellnersville, Wisconsin. Discussions with management indicated that the branch was closed due to a lack of profitability. The branch had a high volume of deposits, but loan volume was inadequate. The bank tried unsuccessfully for a period of time to increase the loan base at this branch. The closing of this branch did not have an adverse effect on deposit customers using this branch, due to the proximity to several other branches. The bank has not opened any branches since its previous examination.

Alternative Systems for Delivering Retail Banking Services

The bank operates a total of 11 full-service ATMs within the combined assessment area, in an effort to make banking services more accessible. The bank's affiliates also operate approximately 200 additional ATMs within the state, which are accessible to M&I Bank

Northeast customers. Additionally, the bank offers MiLINE, a 24-hour, toll-free telephone hotline which provides access to customer deposit accounts or loan information, and M&I Direct, which also provides account access through the use of a personal computer. The bank also has mobile mortgage originators who will travel to an applicant's home or place of business to complete an application.

Community Development Services

The following organizations have community development as their primary purpose or they provide community development services; bank staff and officers participate in these organizations, utilizing their business and financial expertise:

- C Adopt-A-Class - This program targets high school students in the low-income areas of Green Bay. Several bank employees speak to students about personal finance and the banking industry in general.
- C Advance Economic Development - This organization promotes and counsels new business start-ups in the community. The bank president serves as a director of the organization.
- C Ashwaubenon Community Development Authority - This organization promotes new business development, and rehabilitation, improvement and enhancements for existing businesses. A bank lending officer counsels businesses involved in this organization's programs.
- C Brown County Affordable Housing Program - The program assists low- and moderate-income families so that they can obtain housing. A bank lending officer provides technical financial advice to the organization.
- C Casco Community Housing - The group provides housing assistance programs for the low- and moderate-income individuals in the community. A bank lending officer is on the board of directors.
- C Christmas in April/July - The purpose of this organization is to provide assistance for housing rehabilitation and repair for low- and moderate-income families. Several bank employees are involved in this organization.
- C Green Bay Economic Development Committee - This committee promotes small business development in the community. A bank lending officer assists in the

developing of action plans.

- C Habitat for Humanity - Habitat's programs includes home construction and repairs for low- and moderate-income individuals and families. A bank lending officer assists this group.
- C Luxemburg/Casco Food Pantry - This group provides food and personal items for homebound, elderly and low- and moderate-income individuals and families. A bank employee is involved in this organization.
- C Peshtigo Area Economic Development Committee - This committee promotes small business start-ups, growth and development in Peshtigo. A bank lending officer is involved in this organization.
- C On Broadway - This is an organization which focusses on the revitalization of the Main Street in Green Bay's downtown area; the downtown area is the primary low-income area in the community. The bank president and a lending officer assist the organization.

In addition, various bank staff members are involved in many civic and community service organizations. These organizations include programs through the YMCA/YWCA, Big Brothers and Sisters, United Way, and several other business associations. Many of the programs target low- and moderate-income individuals and families within the bank's assessment areas.

CONCLUSION

The bank's performance under the service test is considered strong. The bank provides access to loan and deposit services through the use of various traditional means, automated systems and its affiliate network. The bank provided a high level of community development services. The sole branch closing did not negatively impact low- or moderate-income residents and the bank provides an high level of community development services for all segments of the assessment area; this demonstrates the bank attentiveness to the community development needs of the community.

GENERAL

The bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations, including the Equal Credit Opportunity (ECOA) and Fair Housing Acts. A significant portion of loan underwriting has been centralized at the corporate level. A review of bank underwriting conducted concurrent with this examination, supplemented an earlier

review of centralized loan underwriting functions. The credit applications reviewed during this examination represented a sample of applications for which the credit decision was made by bank lending personnel. Management and corporate personnel have developed and implemented policies and procedures supporting nondiscrimination in lending. Bank lending standards are in compliance with the regulations and applied in a consistent manner.